

# House File 369 - Introduced

HOUSE FILE 369

BY HAGENOW

## A BILL FOR

1 An Act relating to the procedure for tax sales and including  
2 applicability provisions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 446.16, subsections 1 and 4, Code 2013,  
2 are amended to read as follows:

3 1. a. Each parcel offered for sale shall first be offered  
4 for sale to those registered bidders under this section who  
5 are individual residents of this state or that are domestic  
6 business entities as defined in section 501A.102. The  
7 individual resident or domestic business entity who offers to  
8 pay the total amount due, which is a lien on any parcel, for the  
9 smallest percentage of the parcel is the purchaser, and when  
10 the purchaser designates the percentage of any parcel for which  
11 the purchaser will pay the total amount due, the percentage  
12 thus designated shall give the individual resident or domestic  
13 business entity an undivided interest upon the issuance of a  
14 treasurer's deed, as provided in chapter 448. If two or more  
15 eligible bidders under this paragraph have placed an equal bid  
16 and the bids are the smallest percentage offered, the county  
17 treasurer shall use a random selection process to select the  
18 bidder to whom a certificate of purchase will be issued. The  
19 percentage that may be designated by any purchaser under this  
20 paragraph shall not be less than one percent. If a parcel is  
21 not sold under this paragraph, the county treasurer shall offer  
22 the parcel for sale under paragraph "b".

23 b. The county treasurer shall offer for sale to all persons  
24 registered to bid under this section each parcel that is not  
25 sold under paragraph "a". The person who offers to pay the  
26 total amount due, which is a lien on any parcel, for the  
27 smallest percentage of the parcel is the purchaser, and when  
28 the purchaser designates the percentage of any parcel for which  
29 the purchaser will pay the total amount due, the percentage  
30 thus designated shall give the person an undivided interest  
31 upon the issuance of a treasurer's deed, as provided in chapter  
32 448. If two or more persons have placed an equal bid and the  
33 bids are the smallest percentage offered, the county treasurer  
34 shall use a random selection process to select the bidder to  
35 whom a certificate of purchase will be issued. The percentage

1 that may be designated by any purchaser under this subsection  
2 paragraph shall not be less than one percent.

3 4. Only those persons as defined in section 4.1 are  
4 authorized to register to bid or to bid at the tax sale or  
5 to own a tax sale certificate by purchase, assignment, or  
6 otherwise. To be authorized to register to bid or to bid at  
7 a tax sale or to own a tax sale certificate, a person, other  
8 than an individual, must have a federal tax identification  
9 number and either a designation of agent for service of process  
10 on file with the secretary of state or a verified statement  
11 meeting the requirements of chapter 547 on file with the county  
12 recorder of the county in which the person wishes to register  
13 to bid or to bid at tax sale or of the county where the property  
14 that is the subject of the tax sale certificate is located.  
15 Each person authorized to register to bid under this section  
16 shall only be allowed to register once for each tax sale and an  
17 individual shall not be allowed to register to bid on behalf of  
18 more than one person during a tax sale.

19 Sec. 2. APPLICABILITY. This Act applies to tax sales  
20 occurring on or after July 1, 2013.

21 EXPLANATION

22 This bill amends Code chapter 446 relating to tax sales. The  
23 bill requires the county treasurer to first offer each parcel  
24 for sale only to those registered bidders who are individual  
25 residents or domestic business entities as defined in the bill.  
26 The bill provides that if a parcel is not sold when offered for  
27 sale only to registered bidders who are individual residents or  
28 domestic business entities, the parcel is then offered for sale  
29 to all registered bidders.

30 The bill provides that each person authorized to register to  
31 bid under Code section 446.16 shall only be allowed to register  
32 once for each tax sale and an individual shall not be allowed  
33 to register to bid on behalf of more than one person during a  
34 tax sale.

35 The bill applies to tax sales occurring on or after July 1,

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1 2013.